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BEFORE THE

ILLINOIS COMMERCE COMMISSION

ATMOS ENERGY CORPORATION)
)
Application for an Order approving)DOCKET NO.
the implementation of a universal)06-0579
shelf registration pursuant to)
Section 6-102 of the Public)
Utilities Act.)
)

Wednesday, November 15, 2006
Springfield, Illinois.

Met, pursuant to notice at 9:30 A.M.

BEFORE:

MICHAEL WALLACE, Administrative Law Judge

APPEARANCES:

GARY A. BROWN, ESQ.
SORLING, NORTHRUP, HANNA, CULLEN and COCHRAN, LTD
Suite 800, Illinois Building
607 East Adams Street
Springfield, Illinois 62705

(Appearing on behalf of Atmos Energy
Corporation)

SULLIVAN REPORTING COMPANY, by
H. Lori Bernardy, Reporter
Ln. #084-004126

1	<u>I N D E X</u>				
2	<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
3	LORI SHERWOOD				
4	By Mr. Brown	12			
5	PHIL HARDAS				
6	Oral Statement	19			

11	<u>I N D E X</u>		
12	<u>EXHIBITS</u>	<u>MARKED</u>	<u>ADMITTED</u>
13	Atmos Exhibit K		18
14	Atmos Exhibit KS		18
15	Atmos Exhibit K-AS		18
16	Atmos Revised Exhibit A		18
17	Atmos Revised Exhibit B		18
18	Atmos Revised Exhibit C		18
19	Atmos Revised Exhibit D		18
20	Atmos Revised Exhibit E		18
21	Atmos Exhibit F		18
22	Atmos Revised Exhibit G		18
	Atmos Exhibit H		18
	Atmos Revised Exhibit I		18
	Atmos Exhibit J		18
	Atmos Exhibit L		18

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P R O C E E D I N G S

JUDGE WALLACE: Pursuant to the direction of the Illinois Commerce Commission, I now call Docket 06-0579. This is the application of Atmos Energy Corporation seeking an order approving the implementation of a universal shelf registration pursuant to Section 6-102 of the Public Utilities Act.

May I have appearances for the record, please.

MR. BROWN: Thank you, your Honor. My name is Gary Brown with the law firm of Sorling, Northrup, Hanna, Cullen and Cochran, 607 East Adams Street, Suite 800, Springfield, Illinois 62705, appearing on behalf of the Atmos Energy Corporation.

Also, telephonically, Lori Sherwood is here today and will be sponsoring testimony for the record.

JUDGE WALLACE: Okay.

MR. HARDAS: My name is Phil Hardas appearing on behalf of the Finance Department of the Illinois Commerce Commission.

1 My business address is 527 East
2 Capitol Avenue, Springfield, Illinois 62701.

3 JUDGE WALLACE: Thank you.

4 Let the record reflect there are no
5 other appearances at today's hearing.

6 Okay, Mr. Brown, do you have testimony
7 you wish to submit today?

8 MR. BROWN: Yes, your Honor, we do.
9 Miss Sherwood has submitted testimony which has been
10 filed electronically on e-Docket. It includes her
11 Direct Testimony which was attached to the Petition.

12 It also includes Supplemental Direct
13 Testimony which revises certain exhibits which were
14 attached to her original testimony. And it also
15 includes some additional supplemental Direct
16 Testimony.

17 So we'll actually have three sets of
18 testimony for Miss Sherwood to sponsor.

19 JUDGE WALLACE: Okay.

20 (Whereupon the Witness was sworn
21 by the Administrative Law
22 Judge.)

1 JUDGE WALLACE: Mr. Brown?

2 MR. BROWN: Thank you.

3 LORI SHERWOOD,

4 having been first duly sworn by the Administrative

5 Law Judge, witnesseth and saith as follows:

6 DIRECT EXAMINATION

7 BY MR. BROWN:

8 Q. What is your business address,

9 Miss Sherwood?

10 A. My business address is 703 Lincoln Center,

11 5430 LBJ Freeway, Dallas, Texas 75240.

12 Q. And what is your position with the

13 Petitioner, Atmos Energy Corporation?

14 A. I am the Vice President of Corporate

15 Development and Treasurer.

16 Q. Miss Sherwood, I have three documents

17 before me. The first is marked Exhibit K and it's

18 entitled the Direct Testimony of Lori Sherwood.

19 Do you have that in front of you?

20 A. Yes, I do.

21 Q. And was that prepared by you or someone

22 under your direction and supervision?

1 A. Yes, it was.

2 Q. It includes a number of exhibits which I
3 take it were prepared by you or someone under your
4 direction and supervision?

5 A. Yes, they were.

6 Q. And as I understand it, some of those have
7 been revised since the filing of this Direct
8 Testimony; is that correct?

9 A. That is correct.

10 MR. BROWN: And I think we'll just wait until
11 we get to the supplemental to identify those which
12 have been revised, if that's satisfactory with
13 everyone.

14 JUDGE WALLACE: All right. To the extent that
15 Exhibit K is Miss Sherwood's Direct Testimony, are
16 there other exhibits that go along with that Direct?

17 MR. BROWN: Yes. There are a number of
18 exhibits attached to the Direct.

19 JUDGE WALLACE: Would you identify those,
20 please.

21 MR. BROWN: Okay.

22 Those would be Exhibits A, B, C, D, E,

1 G, and I. Those are the Exhibits which are attached
2 to her Direct Testimony, your Honor.

3 JUDGE WALLACE: All right.

4 MR. BROWN: And with the exception of the
5 Exhibits E, H, and J, the other exhibits I just
6 stated are revised.

7 JUDGE WALLACE: I'm sorry, you didn't mention H
8 and J.

9 All right, let's back up. Just tell
10 me what Exhibits you want to put in the record and
11 we'll do it that way.

12 MR. BROWN: Okay.

13 We're going to put in Exhibit K which
14 is the Direct Testimony of Lori Sherwood.

15 We're going to enter into evidence
16 Exhibit KS which is a Supplemental Direct Testimony
17 of Lori Sherwood.

18 We're going to introduce as Exhibit
19 K-AS which is the Additional Supplemental Direct
20 Testimony of Lori Sherwood.

21 We're going to introduce Revised
22 Exhibit A, Revised Exhibit B, Revised Exhibit C,

1 Revised Exhibit D, Revised Exhibit E, Exhibit F,
2 Revised Exhibit G, Exhibit H, Revised Exhibit I --
3 revised exhibit -- I'm sorry, Exhibit J and Exhibit
4 L.

5 And we have a list of those for you.
6 I should have told you before you started writing.

7 JUDGE WALLACE: So, it's Revised Exhibit H,
8 Revised Exhibit I, J, and L; is that what you
9 finished up with there?

10 MR. BROWN: Yes.

11 JUDGE WALLACE: All right, okay.

12 MR. BROWN: Exhibit L is that what you said?

13 JUDGE WALLACE: Yes.

14 BY MR. BROWN:

15 Q. I know, Miss Sherwood, that you don't have
16 that list before you, but you heard what I stated; is
17 that correct?

18 A. Yes, I did.

19 Q. Thank you. So with those revisions, we'll
20 move forward to your Supplemental Direct Testimony
21 which has been marked for identification as
22 Exhibit KS, and that was prepared by you; is that

1 correct?

2 A. Yes, it was.

3 Q. And any revised exhibits were prepared by
4 you or someone under your supervision; is that
5 correct?

6 A. That is correct.

7 Q. And finally, we have an Exhibit marked
8 Exhibit K-AS which has been titled Additional
9 Supplemental Direct Testimony of Lori Sherwood, and
10 that was prepared by yourself; is that correct?

11 A. Yes, it was.

12 Q. All right. Are there any changes to be
13 made to Exhibit K or KS or K-AS today?

14 A. No.

15 Q. Any changes to the exhibits which we're
16 introducing into evidence today?

17 A. No.

18 Q. All right, thank you.

19 MR. BROWN: That's all the questions I have on
20 Direct, your Honor.

21 JUDGE WALLACE: And all of these exhibits have
22 been filed on e-Docket?

1 MR. BROWN: Yes, your Honor, they have.

2 JUDGE WALLACE: And I notice from your list, it
3 says Exhibit J late-filed.

4 MR. BROWN: That's the --

5 JUDGE WALLACE: Is it still late-filed or --

6 MR. BROWN: That's the registration which has
7 not been filed yet, I believe. That is correct.

8 BY MR. BROWN:

9 Q. You haven't got that -- the SEC
10 registration, you don't have that Exhibit in hand
11 yet, do you?

12 A. No. We have not yet filed that, although
13 it is in the final stages of preparation and will be
14 filed probably within a week.

15 MR. BROWN: Okay.

16 JUDGE WALLACE: Okay. All right, with all
17 that, Mr. Hardas, do you have any objection to these
18 exhibits?

19 MR. HARDAS: Staff has no objection.

20 JUDGE WALLACE: All right. Just to run through
21 them again, Exhibit K, Exhibit KS, Exhibit K-AS,
22 Revised Exhibit A, Revised Exhibit B, Revised

1 Exhibit C, Revised Exhibit D, Revised Exhibit E,
2 Exhibit F, Revised Exhibit G, Exhibit H, Revised
3 Exhibit I, Exhibit J - which leave is granted to
4 late-file that electronically - and Exhibit L.

5 All these exhibits just listed are
6 admitted into the record.

7 (Whereupon Atmos Exhibit Numbers
8 Exhibit K, Exhibit KS, Exhibit
9 K-AS, Revised Exhibit A, Revised
10 Exhibit B, Revised Exhibit C,
11 Revised Exhibit D, Revised
12 Exhibit E, Exhibit F, Revised
13 Exhibit G, Exhibit H, Revised
14 Exhibit I, Exhibit J, and
15 Exhibit L were admitted into the
16 record.)

17 MR. BROWN: Thank you.

18 JUDGE WALLACE: Do you have any questions of
19 Miss Sherwood, Mr. Hardas?

20 MR. HARDAS: No questions, your Honor.

21 JUDGE WALLACE: I do not have any questions
22 either.

1 Do you have anything further to
2 present, Mr. Brown?

3 MR. BROWN: No, your Honor. We have nothing
4 further to present today.

5 JUDGE WALLACE: Okay, Mr. Hardas?

6 MR. HARDAS: Staff would like to present an
7 oral statement.

8 JUDGE WALLACE: Please.

9 ORAL STATEMENT

10 BY MR. HARDAS:

11 I reviewed the Company's Petition,
12 Exhibits, and all supplemental testimony and
13 exhibits.

14 The Company's proposal is to issue a nine hundred
15 million dollar shelf registration equally distributed
16 between long-term debt, equity and hybrid securities.

17 This 900 million dollar shelf registration will be
18 used to replace the existing four hundred and
19 one million five hundred thousand long-term authority
20 in Docket Number 06-0368.

21 Atmos assured the Commission and staff that it will
22 only issue the hybrid securities if the rating agency

1 that sets the proposed hybrid issue at a 50 percent
2 or greater equity component.

3 Staff recommends that Atmos report this ratings
4 agency's assessment as an attachment to its Part 240
5 reports.

6 Based on this assurance and my review, I have no
7 objection to the Company's proposed shelf
8 registration.

9 Furthermore, I agree with the Company's calculation
10 of seven thousand two hundred seventy-seven dollars
11 for the fees required pursuant to Section 6-108 of
12 the Illinois Public Utilities Act.

13 And that completes Staff's statement.

14 JUDGE WALLACE: Thank you.

15 Do you have any questions of
16 Mr. Hardas?

17 MR. BROWN: I don't believe so. We have no
18 questions of Mr. Hardas.

19 JUDGE WALLACE: Okay, all right.

20 Okay, that's all the evidence the
21 Parties wish to submit.

22 Is there anything else that the

1 Parties wish to bring up?

2 MR. BROWN: We will be bringing a Proposed
3 Order.

4 JUDGE WALLACE: A Draft Order?

5 MR. BROWN: A Draft Order.

6 JUDGE WALLACE: Okay.

7 MR. BROWN: And I anticipate that will be filed
8 probably tomorrow morning. If it's appropriate, I
9 would just -- as soon as staff signs off on that
10 Draft Order, we would just e-mail you a copy of it in
11 "Word".

12 JUDGE WALLACE: That would be great.

13 Okay, then, there being nothing else
14 other than the submission of a Draft Order, I will
15 mark this record heard and taken.

16 Thank you.

17 MR. BROWN: Thank you, your Honor.

18

19 (Which were all the proceedings
20 had in this cause.)

21 HEARD AND TAKEN

22